

## Message Text

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14  
ACTION EUR-12

INFO OCT-01 ISO-00 AID-05 CIAE-00 COME-00 EB-07 FRB-03

INR-07 NSAE-00 USIA-06 TRSE-00 XMB-02 OPIC-03 SP-02

CIEP-01 LAB-04 SIL-01 OMB-01 NSC-05 SS-15 STR-04

CEA-01 DODE-00 PM-04 H-02 L-03 PA-01 PRS-01 /091 W

----- 020412

R 080645Z SEP 76

FM AMEMBASSY ROME

TO SECSTATE WASHDC 9832

INFO AMEMBASSY BONN

AMEMBASSY BRUSSELS

USMISSION EC BRUSSELS

AMEMBASSY COPENHAGEN

AMEMBASSY DUBLIN

AMEMBASSY THE HAGUE

AMEMBASSY LONDON

AMEMBASSY LUXEMBOURG

AMEMBASSY PARIS

USMISSION OECD PARIS

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PASS TREASURY AND FRB

E.O. 11652: N/A

TAGS: EFIN, IT

SUBJ: BUNDESBANK LOAN FOR ITALY

1. THE RENEWAL OF THE TWO BILLION DOLLAR GOLD-BACKED LOAN  
TO ITALY WAS OFFICIALLY CONCLUDED BY THE BANK OF ITALY AND  
THE BUNDESBANK ON SEPTEMBER 3.

2. UNDER THE NEW LOAN CONDITIONS, HOWEVER, ITALY WILL REPAY  
500 MILLION DOLLARS, RATHER THAN INCREASE THE AMOUNT OF GOLD  
COLLATERAL, WHICH REMAINS AT 16.6 MILLION OUNCES. THE NEW LOAN

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CONTAINS TWO NEW CONDITIONS: (1) THE VALUE OF THE GUARANTEE

WILL BE REVIEWED EVERY THREE MONTHS, AND EITHER THE AMOUNT OF THE GOLD COLLATERAL OR THE AMOUNT OF LOAN OUTSTANDING WILL HAVE TO BE ADJUSTED IN LINE WITH THE FREE MARKET PRICE OF GOLD, WHEREAS IN THE ORIGINAL LOAN THE AMOUNT OF COLLATERAL WAS SET FOR TWO YEARS; (2) THE GOLD PRICE USED IN VALUING THE GUARANTEE WILL BE BASED ON THE AVERAGE PRICE DURING THE PRECEDING 30 DAYS, WHEREAS IN THE ORIGINAL LOAN THE AVERAGE PRICE OVER THE PRECEDING TWO MONTHS WAS THE BASIS.

3. THE INTEREST RATE AND TERMS REMAIN THE SAME AS IN THE ORIGINAL LOAN: THE INTEREST RATE IS EQUAL TO THE RATE ON SIX-MONTH US TREASURY BONDS. THE MATURITY IS SIX MONTHS, RENEWABLE THREE TIMES FOR A TOTAL TERM OF TWO YEARS. BEAUDRY

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NNN

## Message Attributes

**Automatic Decaptioning:** X  
**Capture Date:** 01 JAN 1994  
**Channel Indicators:** n/a  
**Current Classification:** UNCLASSIFIED  
**Concepts:** GOLD, GOVERNMENT DEBTS, DEBT REPAYMENTS, BANK LOANS  
**Control Number:** n/a  
**Copy:** SINGLE  
**Draft Date:** 08 SEP 1976  
**Decaption Date:** 01 JAN 1960  
**Decaption Note:**  
**Disposition Action:** RELEASED  
**Disposition Approved on Date:**  
**Disposition Authority:** ElyME  
**Disposition Case Number:** n/a  
**Disposition Comment:** 25 YEAR REVIEW  
**Disposition Date:** 28 MAY 2004  
**Disposition Event:**  
**Disposition History:** n/a  
**Disposition Reason:**  
**Disposition Remarks:**  
**Document Number:** 1976ROME14602  
**Document Source:** CORE  
**Document Unique ID:** 00  
**Drafter:** n/a  
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**Executive Order:** N/A  
**Errors:** N/A  
**Film Number:** D760338-1285  
**From:** ROME  
**Handling Restrictions:** n/a  
**Image Path:**  
**ISecure:** 1  
**Legacy Key:** link1976/newtext/t19760981/aaaacrz.tel  
**Line Count:** 74  
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**Office:** ACTION EUR  
**Original Classification:** LIMITED OFFICIAL USE  
**Original Handling Restrictions:** n/a  
**Original Previous Classification:** n/a  
**Original Previous Handling Restrictions:** n/a  
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**Previous Classification:** LIMITED OFFICIAL USE  
**Previous Handling Restrictions:** n/a  
**Reference:** n/a  
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**Review Authority:** ElyME  
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**Subject:** BUNDESBANK LOAN FOR ITALY  
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